

CNS/ATM Strategy

May 1-2, 2001

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Manager

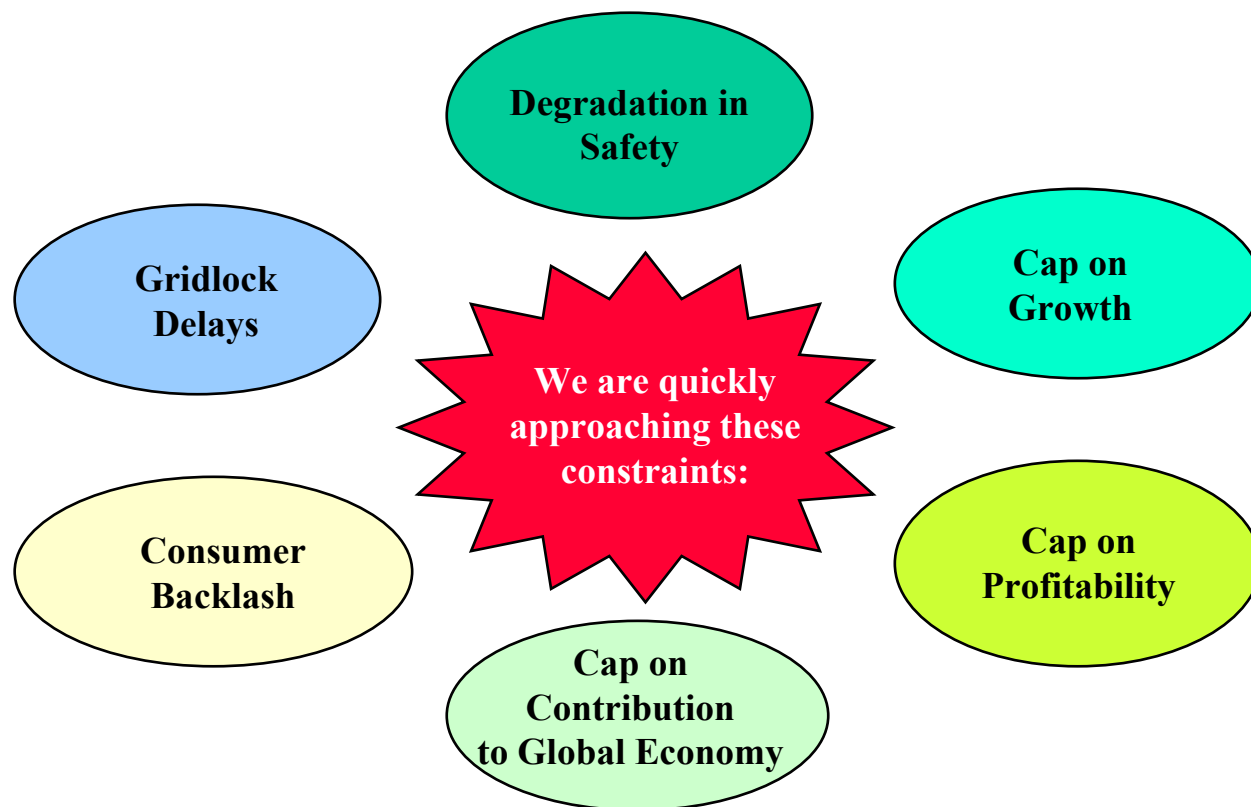
Advanced Communications

Economic Performance

“The Role of Air Transportation in Modern Society”

- 1.6 billion passengers per year, rising to 2.3 billion by 2010.
- 40% of the world’s manufactured exports, by value, carried by air.
- 28 million jobs, rising to 31 million by 2010.
- US \$1.4 trillion in annual gross output, rising to US \$1.8 trillion by 2010.

Consensus about Crisis?



In Some Markets We're Already There

Consensus about Solution?

Many industry groups
working on same issues

Lack of strategic Direction

Lost Momentum

Striving for perfect timing
of cost and benefits

Many Competing Technologies

Airspace
Capacity is
Becoming
**Mission
Impossible**

Lots of activity but
little progress

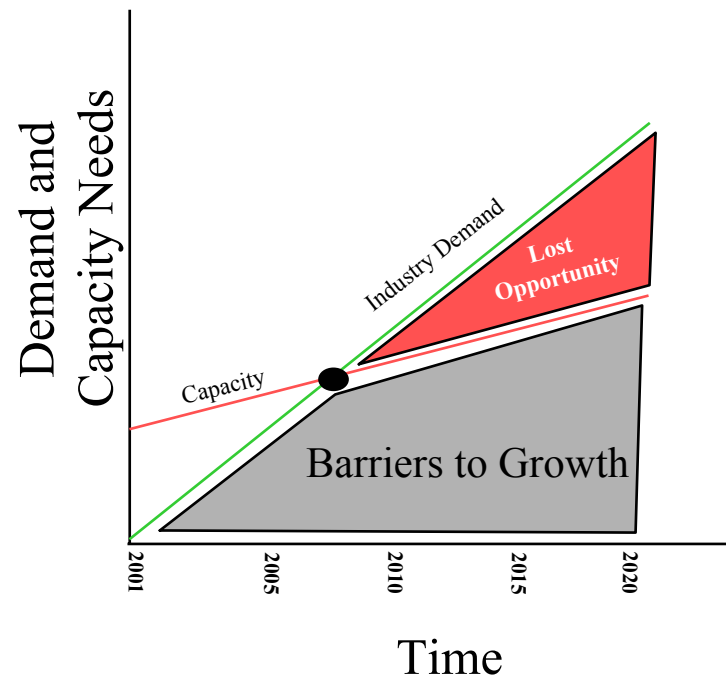
Slow
implementation

Lack of
global harmonization

Competing Efforts Impede Progress

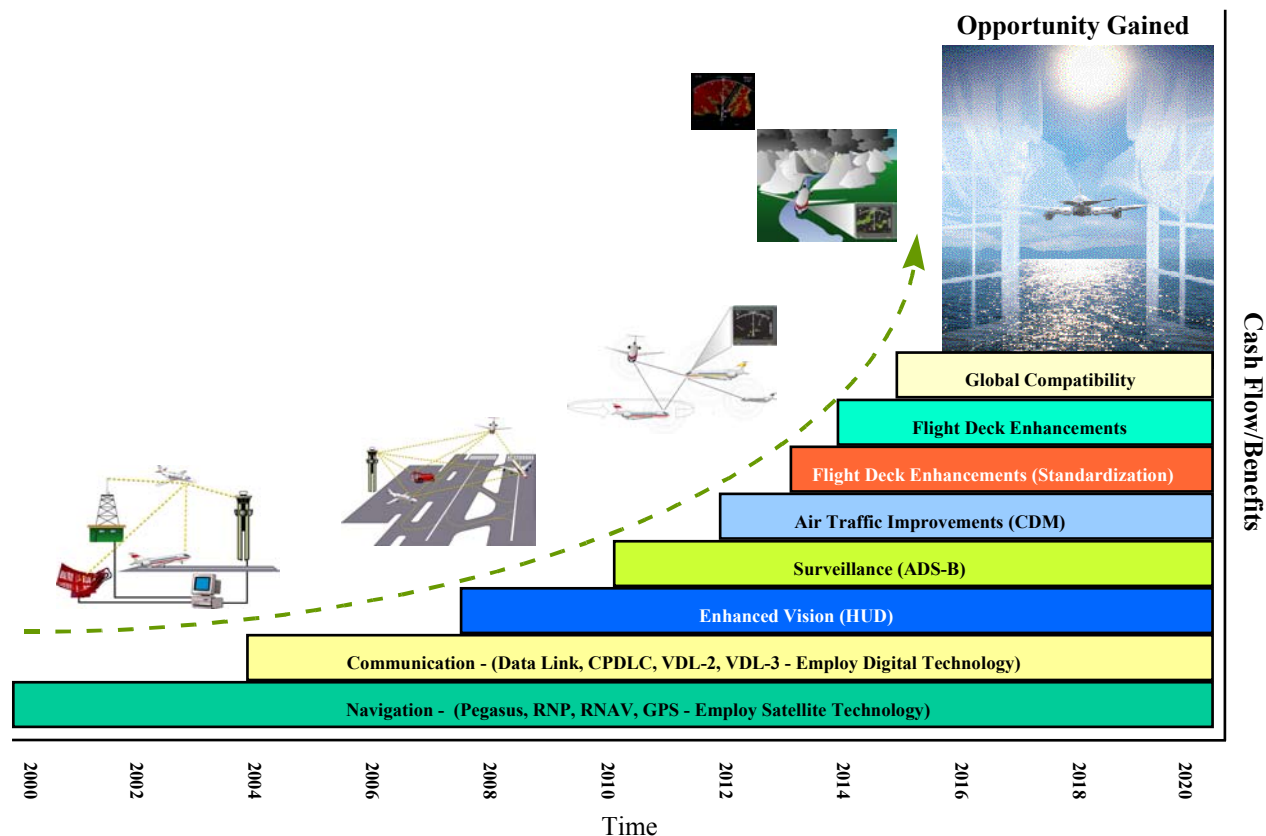
Airspace Capacity

Industry demand will outpace capacity



- * Only the wealthy will fly
- * Some form of industry regulation

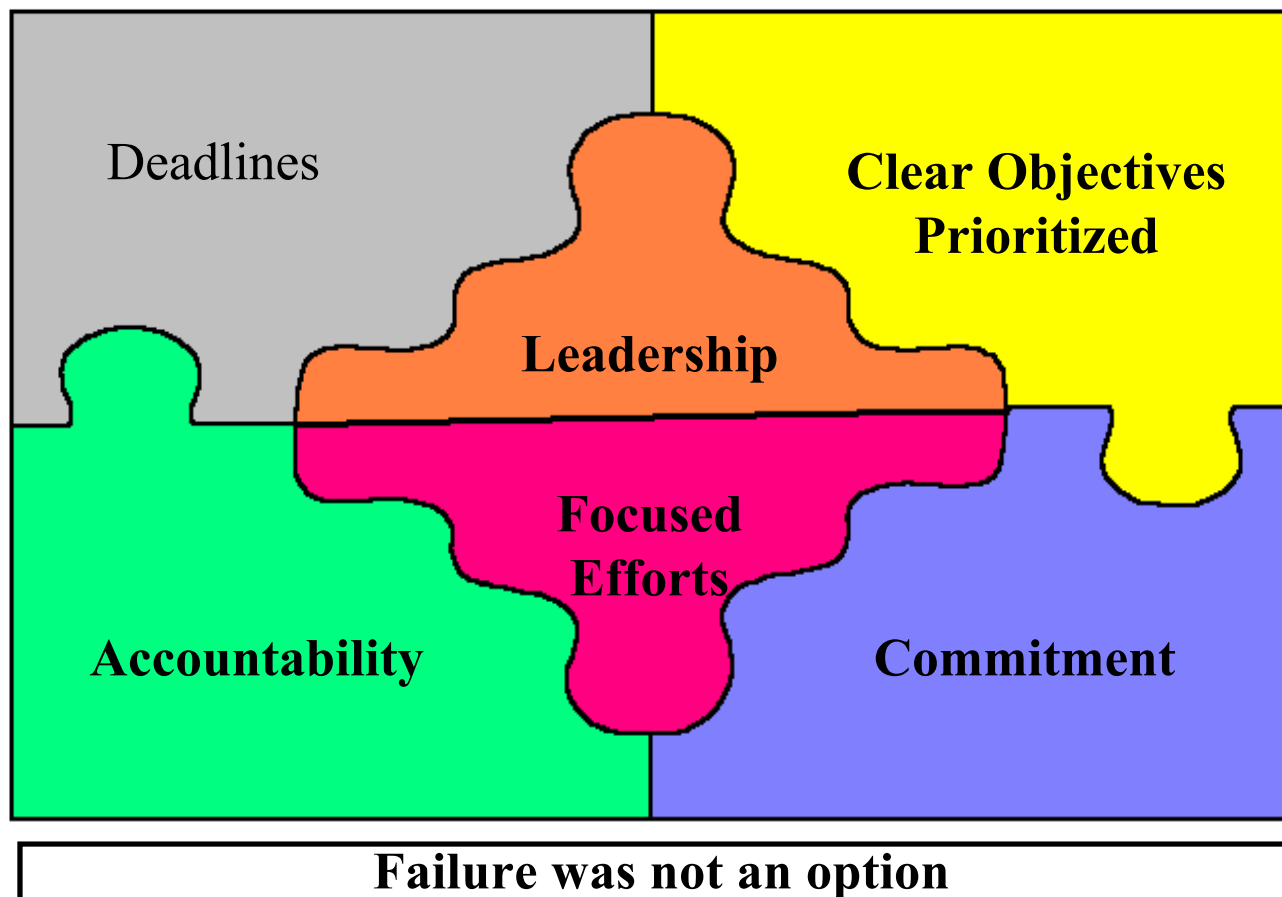
Equipment Evolution Strategies



Complex Projects Require Long Term Strategies and Huge Lead Times

Y2K Model for CNS/ATM?

The Y2K Model
brought together



Y2K vs. CNS/ATM

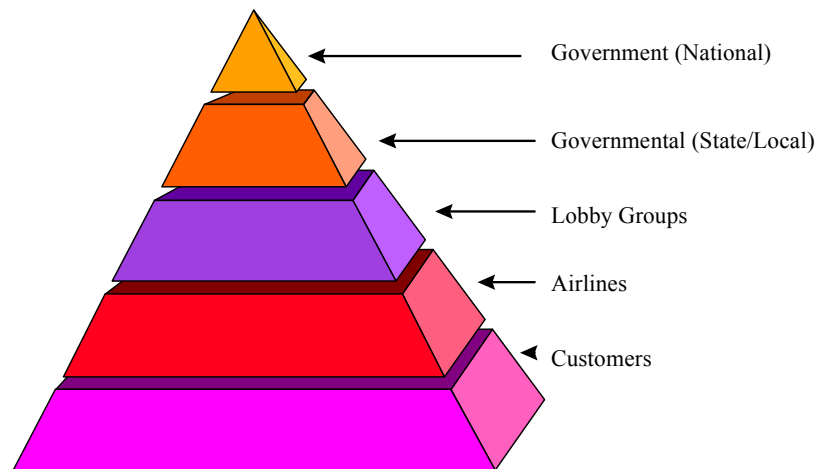
Y2K

Governmental Oversight Committees



January 1, 2000 Deadline

Current CNS/ATM
Environment (U.S.)



Upward movement with no strategic
plan to work from

Top Down Versus Bottom Up

Must Act Now

- Call to Arms
 - Understand you're role in this issue
 - Brief the executives and advertise your position
 - Evaluate the risks of not making a difference.
- Consumer backlash will force government action
 - Potential industry regulation
 - Introduce congestion pricing regulation
- Need to emphasize contribution of airline growth to global economy
 - Cost of not acting vs the cost of moving forward
 - \$ 1.8 trillion.....or more